

Message Text

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FM AMEMBASSY PARIS
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INFO AMEMBASSY BERN
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USEEC

PASS: TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A
TAGS: EFIN, OECD
SUBJECT: JULY 6-7 MEETING OF COMMITTEE ON FINANCIAL
MARKETS

REF: (A) PARIS 20789; (B) CMF/A(78)2

1. SUMMARY: COMMITTEE ON FINANCIAL MARKETS (CFM) MET
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JULY 6 AND 7 AND CONCENTRATED ON SELECTED ITEMS OF ITS
EXTENSIVE AGENDA, POSTPONING DISCUSSION OF OR CONSIDER-
ING ONLY VERY BRIEFLY OTHER ITEMS. CONSIDERABLE INTER-
EST SHOWN IN FRENCH PLANS TO BOLSTER SECURITIES MARKET
AND IN JAPANESE MOVES TOWARD LIBERALIZING BOND MARKET,
WHICH CFM IS GOING TO ENCOURAGE. CONSULTANTS' REPORT
ON COMECON COUNTRIES' RELATIONSHIPS WITH WESTERN FINAN-

CIAL MARKETS WILL BE PUBLISHED UNDER THEIR NAMES IN SERIES ISSUED BY HAMBURG RESEARCH INSTITUTION (I.E., NOT AS OECD PUBLICATION). NEXT MEETING SET FOR NOVEMBER 9-10 AND WILL DEVOTE HALF DAY TO TOPIC OF GOVERNMENT FINANCE AND DEBT MANAGEMENT. DISCUSSION OF WORK PROGRAM FOR 1979 WAS UNANIMATED -- CFM PREFERRED TO COMPLETE A NUMBER OF OUTSTANDING PROJECTS BEFORE UNDERTAKING NEW WORK. IN THIS LIGHT, DUTCH PROPOSAL TO HAVE CFM CONSIDER CERTAIN TECHNICAL ASPECTS OF EXCHANGE MARKET INTERVENTIONS UNENTHUSIASTICALLY RECEIVED.

END SUMMARY

2. AS USUAL, CFM SPENT FULL DAY ON TOUR D'HORIZON ITEM, GOING OVER SOME OF THE GROUND COVERED AT THE PRECEDING RESTRICTED MEETING OF SELECTED DELEGATES AND PRIVATE BANKERS. PARAGRAPHS 3-6 BELOW CONCENTRATE ON PROSPECTIVE PORTION OF DELEGATES REMARKS AND ON OTHER NOTEWORTHY ASPECTS OF THEIR PRESENTATIONS.

PART I OF TOUR D'HORIZON: RECENT DEVELOPMENTS AND PROSPECTS ON FINANCIAL MARKETS

3. DOMESTIC DEVELOPMENTS: MAJOR FINANCIAL COUNTRIES RESPONDED TO QUESTIONS SET OUT IN PARAS. 2 AND 3 OF CMF(78)15. SIGNIFICANT POINTS FOLLOW:

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(A) UNITED STATES: U.S. DEL (KICHLIN) UPDATED U.S. INTEREST RATE DEVELOPMENTS REPORTED IN PUBLISHED FINANCIAL CREDIT DEMAND BY CONSUMER AND CORPORATE SECTORS. HE NOTED CONTRIBUTIONS OF (A) REVISION OF TAX BILL (REDUCTION AND POSTPONEMENT) AND (B) DECLINE IN FEDERAL SPENDING, IN BRINGING ABOUT DOWNWARD REVISION OF ESTIMATED BUDGET DEFICIT THIS YEAR. IN RESPONSE TO QUESTIONS, KICHLIN SAID THAT SURPLUS OF STATE AND LOCAL GOVERNMENTS MAY DECLINE (THUS OFFERING SMALLER OFFSET TO FEDERAL DEFICIT), AND HE SUGGESTED THAT SHIFT IN PLANNED TREASURY BORROWINGS TOWARD MEDIUM AND LONG ENDS OF MARKET WAS MOTIVATED BY OPERATIONAL RATHER THAN INTEREST RATE CONSIDERATIONS. CONCERNING EXPERIENCE WITH NEW SIX-MONTH "FLOATING RATE" CERTIFICATES AND EIGHT-YEAR SAVINGS CERTIFICATES, U.S. DEL SAID IT WAS TOO EARLY TO JUDGE, BUT DID NOT THINK THAT THESE MOVES WOULD ADD MUCH, IF ANY, IMPETUS TOWARD HIGHER INTEREST RATES, POINTING OUT THAT ON THESE CD'S "FLOATING" REFERRED TO ADJUSTMENTS OF REGULATION Q CEILING, NOT TO ADJUSTMENTS IN RATE DURING LIFE OF INSTRUMENT -- I.E., YIELDS ARE FIXED AT TIME OF ISSUE. SOME DISTORTION OF M2 WILL RESULT. (KICHLIN NOTED THAT, IF APPROVED, AUTOMATIC

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TRANSFERS BETWEEN SAVINGS AND CHECKING ACCOUNTS WOULD
PROBABLY LEAD TO CONSIDERABLE DISTORTION OF AGGREGATES.)

(B) FRANCE: GOF DEL (FOUCAULD), NOTING SHARP TURN-
AROUND IN FINANCIAL MARKETS FOLLOWING MARCH ELECTIONS,
SUMMARIZED FRENCH ECONOMIC POLICY AS CONSISTING OF TWO
OLD ELEMENTS (RESTRAINT OF WAGES AND SALARIES, LIMITING
GROWTH OF M2) AND ONE NEW: LIFTING OF CONTROLS ON
INDUSTRIAL PRICES, WHICH AUTHORITIES HOPE WILL RESTORE
PROFITABILITY AND INVESTMENT. SIGNIFICANT DROP IN
INTEREST RATES SINCE MARCH NOT EXPECTED TO CONTINUE
GIVEN: (A) NEED TO PRESERVE INTERNATIONAL DIFFERENTIALS;
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(B) SUBSTANTIAL FINANCING REQUIREMENT, ESPECIALLY OF THE PUBLIC SECTOR (E.G., ENERGY PROJECTS); AND (C) POLICY THAT GOVERNMENT DEFICIT BE FINANCED BY BORROWING FROM PUBLIC. FOUCAUD SAID GOF DOES NOT OBJECT TO RECENT APPRECIATION OF FRANC SINCE THIS IS SEEN AS RECOUPING GROUND LOST PREVIOUSLY. HE THEN OUTLINED NEW FRENCH LEGISLATION ON SECURITIES, WHICH INTENDED TO COMPLEMENT POLICIES ENCOURAGING INDUSTRIAL INVESTMENT BY PROMOTING SHIFT IN HOUSEHOLDS' SAVINGS TOWARD LONGER TERM (BONDS) AND FROM BONDS TO STOCKS. FOUR PRINCIPAL ELEMENTS OF LAW (WRITTEN DESCRIPTIONS WILL BE CIRCULATED IN A FEW WEEKS) ARE TO: (A) AUTHORIZE ISSUE OF REFERRED STOCK; (B) GRANT TAX PREFERENCES TO NEW STOCK ISSUES; (C) PERMIT DEDUCTION FROM TAXABLE INCOME OF A HOUSEHOLD'S FIRST F5000 PURCHASE OF SECURITIES, INCLUDING UNQUOTED SECURITIES IF NEW ISSUES (NOT AVAILABLE FOR PURCHASE OF FOREIGN SECURITIES); AND (D) MODIFY REGULATIONS GOVERNING LIQUID SAVINGS.

(C) UNITED KINGDOM: DRAKE (BANK OF ENGLAND) RECALLED THAT LINK BETWEEN BOE MINIMUM LENDING RATE (MLR) AND MONEY MARKET HAD BEEN INSTITUTED LARGELY TO SPARE POLITICIANS EMBARRASSMENT OF ADMINISTRATIVE INCREASES. RECENT SEVERANCE OF LINK (NOT A MAJOR POLICY STEP) REFLECTED FEELING THAT FLUCTUATIONS WERE EXCESSIVE, BUT THERE IS LITTLE CHANCE OF MLR BEING HELD ARTIFICIALLY LOW AS LONG AS THERE ARE MONETARY AGGREGATE TARGETS. DRAKE SAID RECENT FLUCTUATIONS OF INTEREST RATES WERE ATTRIBUTABLE TO UNDERLYING FACTORS RATHER THAN REVISIONS IN DEBT MANAGEMENT TECHNIQUES.

(D) CANADA: WOSTENHOLME (DEPARTMENT OF FINANCE) SAID THAT NARROWING OF LONG-TERM INTEREST RATE DIFFERENTIAL LIMITED OFFICIAL USE

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WITH U.S. TO NEW RECORD LOW HAD CONCERNED AUTHORITIES, SINCE BULK OF CAPITAL INFLOW FROM U.S. IS IN THIS MATURITY RANGE. THIS IS MAJOR REASON FOR GOVERNMENT'S RECENT EFFORTS TO RAISE FUNDS.

(E) JAPAN: TAKASHIMA (PERMANENT DELEGATION) SAID ASSESSMENT IN "FINANCIAL MARKET TRENDS" WAS VERY ACCURATE. HOWEVER, GOJ, WHILE ANTICIPATING SOME RISE IN PRIVATE CREDIT DEMAND, DOES NOT EXPECT ANY "CROWDING OUT" SINCE AUTHORITIES ARE DETERMINED TO MAINTAIN EASY MONEY.

(F) FRG: MERGENTHALER (MOF) SAID THERE WAS NO SATISFACTORY EXPLANATION FOR CONTINUING UNCERTAINTY IN CAPITAL MARKETS; FURTHER INTEREST RATE INCREASE IS UNLIKELY. SOBBE (BUNDES BANK) WAS NOT AS OPTIMISTIC AS SECRETARIAT ON MONEY MARKET INTEREST RATES, CITING DECLINING SAVINGS RATIOS AND RISING CREDIT DEMAND.

(F) SWITZERLAND: SWISS DEL CHARACTERIZED FINANCIAL SITUATION AS HIGHLY LIQUID AND LIKELY TO STABILIZE AT PRESENT LEVEL SINCE THERE WAS NO CHANGE IN UNDERLYING FACTORS.

4. INTERNATIONAL DEVELOPMENTS:

(A) CHAIRMAN (DE RIVAZ OF SWISS NATIONAL BANK) REPORTED ON JULY 5 MEETING OF SELECTED DELEGATES WITH PRIVATE BANKERS. BANKERS WERE SOMEWHAT LESS OPTIMISTIC THAN SECRETARIAT (AS SET FORTH IN "FINANCIAL MARKET TRENDS") BUT DID NOT EXCLUDE RECOVERY OF EURO-BONDS. BULK OF MEETING WAS DEVOTED TO TECHNICAL ISSUES CONCERNING BOND MARKET TRANSACTIONS. IN SUBSEQUENT EXCHANGE ON GENERAL OUTLOOK, DELEGATES GENERALLY SUPPORTED SECRETARIAT'S FORECASTS.

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R 111100Z JUL 78
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(B) ISSUE IN U.S. OF DM-DENOMINATED CD'S: KLEIN SAID BUNDES BANK "CONTINUES TO HAVE DOUBTS" ABOUT SUCH ISSUES AND EMPLOYS MORAL SUASION ON GERMAN PARENT BANKS TO PREVENT THEM. BASIC POLICY IS TO LIMIT INTERNATIONAL ROLE OF DM TO EXTENT POSSIBLE WITHOUT INTERFERING WITH FUNCTIONING OF MARKETS. NEVERTHELESS, DM IS ADMITTEDLY ASSUMING SUCH A ROLE DESPITE ALL BUNDES BANK'S EFFORTS (AT END-1977, SOME 40 BILLION DM ASSETS HELD BY NON-RESIDENT, MUCH IN EURO-DEPOSIT AND BONDS). DM-DENOMINATED CD'S IN NEW YORK WOULD BE NEAR PERFECT SUBSTITUTE FOR GERMAN MONEY MARKET PAPER WHOSE PURCHASE BY NON-LIMITED OFFICIAL USE

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RESIDENTS IS FORBIDDEN. U.S. DEL SAID THAT THIS WAS FORMALLY A MATTER FOR THE BUNDES BANK, BUT THAT THE FEDERAL RESERVE WAS NOT ENTHUSIASTIC.

(C) U.S. SUPERVISION OF BANKS' FOREIGN LENDING: U.S. DEL SAID ARTICLE IN NYFRB QUARTERLY REVIEW, REPRODUCED AS CMF(78)30, WAS SELF-EXPLANATORY. HE POINTED OUT THAT (A) JOINT SUPERVISORY AUTHORITY REFERRED TO HAS NOT YET BEEN APPROVED; AND (B) NEW APPROACH IS INTENDED TO PROVIDE BASIS FOR SYSTEMATIC MEANS OF ANALYZING FOREIGN LENDING AND NOT TO IMPEDE OR PROMOTE IT. IN RESPONSE TO QUESTION, KICHLINE AGREED THAT APPROACH IS LIKELY TO LEAD TO SOME FURTHER DIVERSIFICATION OF LENDING PORTFOLIOS, BUT THAT BANKS HAVE ALREADY DONE MUCH TO IMPROVE THEIR SENSITIVITY TO POSSIBLE "COUNTRY RISKS."

(D) EXTERNAL BORROWING INTENTIONS OF DEFICIT COUNTRIES: MAIN THRUST OF COMMENTS BY OECD DEFICIT COUNTRIES WAS THAT ESTIMATED EXTERNAL BORROWING REQUIREMENTS HAVE BEEN REVISED DOWNWARD.

PART II OF TOUR D'HORIZON: DEVELOPMENTS IN STRUCTURES

OF MARKETS

5. CFM DID NOT HAVE DETAILED DISCUSSION OF ANY OF ITEMS UNDER THIS PART OF AGENDA, BUT AGREED TO DEVOTE SOME TIME AT NEXT MEETING TO SWEDISH CAPITAL MARKET STUDY. DELS REQUESTED TO SUBMIT QUESTIONS ON SWEDISH NOTE, CMF(78)16, TO SECRETARIAT.

6. U.S. DEL EMPHASIZED THAT CREATION OF AN OFFSHORE BANKING CENTER IN NEW YORK IS ONLY A PROPOSAL AT THIS STAGE AND OBTAINED CFM AGREEMENT TO DEFER DISCUSSION LIMITED OFFICIAL USE

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OF U.S. NOTE, CMF(78)18.

OTHER AGENDA ITEMS

7. GOVERNMENT FINANCE AND DEBT MANAGEMENT: CFM ATTEMPTED WITHOUT MUCH SUCCESS TO COME TO GRIPS WITH THIS TOPIC AND TO DEVELOP AGREED METHODOLOGY. SOME ADDITIONAL COUNTRY NOTES ARE EXPECTED TO BE SUBMITTED, AND COUNTRIES NOT REPORTING DETAILED DEBT FIGURES IN OECD "FINANCIAL STATISTICS" ARE ASKED TO PROVIDE DATA TO SECRETARIAT. A NOTE HIGHLIGHTING POINTS OF INTEREST DERIVED FROM COUNTRY NOTES AND STATISTICS WILL BE PREPARED BY SECRETARIAT, AND CFM WILL DEVOTE HALF DAY TO THIS TOPIC AT NEXT MEETING. POSSIBILITY OF SPECIAL EXPERTS MEETING LEFT OPEN. BIS OBSERVER WELCOMED OECD ATTENTION TO THIS ISSUE AND SAID THAT BIS IS NOT PLANNING TO UNDERTAKE FOLLOW-UP WORK ON ITS MARCH, 1977 STUDY, WHICH SIMPLY COMPILED INDIVIDUAL EXPERTS' VIEWS.

8. STRENGTHENING OF INTERNATIONAL COOPERATION IN CONNECTION WITH MOVEMENTS OF PORTFOLIO CAPITAL:

(A) REGULATIONS CONCERNING INVESTMENTS IN FOREIGN SECURITIES BY INSTITUTIONAL INVESTORS: MOST DELEGATES WHO SPOKE DID NOT OPPOSE DEVELOPMENT OF AN OECD RECOMMENDATION (TO LIFT UNJUSTIFIED IMPEDIMENTS TO PURCHASE OF FOREIGN SECURITIES), BUT QUESTIONED WHETHER A MEANINGFUL FORMULATION COULD BE FOUND UNLESS AND UNTIL IMPORTANCE OF DIFFERENT REGULATIONS COULD BE ASSESSED. U.S. DEL FAVORED SIMPLY DERESTRICTING RELEVANT SYNOPTIC TABLE, ANNEX I TO CMF(78)22, PENDING ASSESSMENT OF RELATIVE INFLUENCE OF REGULATIONS AND INVESTOR PREFERENCE -- WHICH COULD ONLY BE DONE QUALITATIVELY. FIRM DECISION TO BE TAKEN AT NEXT MEETING.

(B) POSSIBLE OBSTACLES TO INTERNATIONAL SECURITIES
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TRANSACTION: DELEGATES WERE ASKED TO CORRECT ANY
REMAINING ERRORS IN SYNOPTIC TABLES IN CMF(78)9. CMF
AGREED TO COMPLETION OF PICTURE BY QUALITATIVE ASSESS-
MENT OF RELATIVE IMPORTANCE OF DIFFERENT IMPEDIMENTS
THROUGH BILATERAL CONSULTATIONS BETWEEN SECRETARIAT AND
INTERNATIONAL FEDERATION OF STOCK EXCHANGES.

9. JAPANESE BOND MARKET: CFM HEARD WITH CONSIDERABLE
INTEREST RESPONSE OF JAPANESE DEL TO QUESTIONS POSED BY
SECRETARIAT IN CMF(78)23 ON "REPORT ON THE DESIRABLE

BOND MARKET IN JAPAN" PREPARED BY COMMITTEE OF EXPERTS
ON JAPANESE SECURITIES INDUSTRY (CIRCULATED AS CMF(78)3).
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MAIN POINTS MADE BY JAPANESE DEL WERE AS FOLLOWS:

(A) GOJ LARGELY SUPPORTS REPORT'S RECOMMENDATIONS,
ALTHOUGH THERE IS A LARGE GAP BETWEEN THE PRINCIPLES
ESPoused AND MARKET REALITIES. IT HAS ALREADY ADOPTED
SOME AND WILL WORK TOWARD STEP-BY-STEP IMPLEMENTATION
OF OTHERS.

(B) FINANCING OF GOVERNMENT DEFICIT. MOST RECENT
CHANGE (IN JUNE) PROVIDES FOR (LIMITED) PUBLIC TENDER
OF ISSUES. GOJ DOES NOT ENVISAGE FURTHER MEASURES IN
NEAR FUTURE, BUT IS COMMITTED TO INCREASE FLEXIBILITY
OF ISSUE TERMS. BOJ INTERVENES IN MARKET TO CONTROL
BANK LIQUIDITY NOT TO STABLIZE PRICES.

(C) ISSUING COSTS: GOJ THINKS THAT FOREIGN BORROWING
BY RESIDENTS IS ATTRIBUTABLE TO REASONS OTHER THAN
EXCESSIVELY HIGHT DOMESTIC ISSUING COSTS.

(D) INTEREST RATE RESTRICTIONS: OBSTACLES ARISE FROM
MULTIPLICITY OF FINANCIAL INSTITUTIONS AND, WITH RESPECT
TO POSTAL SAVINGS, POLITICAL CONSIDERATIONS. HOWEVER,
FLEXIBILITY IS INCREASING.

(E) INTERNATIONALIZATION OF YEN: GOJ VIEWS THIS
DEVELOPMENT FAVORABLY. IT IS READY TO STUDY IMPROVE-
MENTS IN BOND TRADING CONDITIONS, BUT DOES NOT THINK
THAT FOREIGN COROPORATIONS SHOULD HAVE MAJOR SHARE OF
MARKET. IT PREFERS YEN ISSUES TO BE FLOATED IN JAPAN.
GOJ IS SEEKING TO FIND ALTERNATIVES TO MORTAGES AS
MEANS OF PROTECTION FOR BOND PURCHASERS (MOF IS STUDY-
INGS SEARS-ROEBUCK APPLICATION TO MAKE UNSECURED ISSUE--
POSSIBLE THAT AUTHORIZATION WILL BE GRANTED BUT NOT FOR
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SOME TIME). GOJ ALSO STUDYING POSSIBILITY OF PER-
MITTING CD ISSUES BUT FACES "JEALOUSY" OF DOMESTIC
BANKS. NON-RESIDENTS' SHARE OF FOREIGN ISSUES WAS 6.1
PERCENT, 6.6 PERCENT AND 11.9 PERCENT, RESPECTIVELY, IN
THREE QUARTERS ENDING JANUARY-MARCH, 1978; GOJ DOES NOT
WANT TO RAISE 25 PERCENT CEILING ON NON-RESIDENTS'
SHARE. TAX BREAK ON PURCHASE OF UP TO \$15,000 WORTH OF

BONDS APPLIES TO FOREIGN BONDS, TOO. PRIVATE PLACEMENTS ARE POSSIBLE, BUT RARE SINCE GOJ PREFERS PUBLIC ISSUES. U.S. AND OTHER DELEGATES EXPRESSED INTEREST IN FOREGOING RESPONSES AND POSED FOLLOW-UP QUESTIONS. SUMMARY RECORD OF MEETING WILL DETAIL POINTS DISCUSSED, AND JAPANESE DEL UNDERTOOK TO BRING CFM'S SUGGESTIONS TO ATTENTION OF AUTHORITIES. (SEE ACTION REQUESTED IN SEPTEL.)

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(CORRECTION COPY--PARA 13 THRU 15)

10. COMECON COUNTRIES' RELATIONSHIPS WITH WESTERN FINANCIAL MARKETS: CMF AGREED TO PUBLICATION OF THE SCHARRER/BOLZ REPORT, CMF(78)7, BY THE HAMBURG RESEARCH INSTITUTE UNDER RESPONSIBILITY OF THE AUTHORS WITH REFERENCE TO OECD SPONSORSHIP. THIS METHOD CHOSEN IN LIEU OF OECD PUBLICATION BECAUSE SOME OF VIEWS EXPRESSED IN REPORT "BEST NOT EXPRESSED UNDER OECD BANNER" AND

BECAUSE EDITING OUT THESE AND OTHER NECESSARY REVISIONS
WOULD DELAY REPORT EXCESSIVELY. NEVERTHELESS, SOME
REFERENCES (E.G., TO OECD GENTLEMAN'S AGREEMENT ON
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EXPORT CREDIT) WILL ALSO BE DELETED FROM HAMBURG PUB-
LICATION.

11. PROGRAM OF WORK: SECRETARIAT (HACKETT) WALKED
CFM THROUGH PROPOSALS AND ISSUES SET OUT IN CMF(78)29
WITH LITTLE REACTION FROM DELS. CONSENSUS DEVELOPED
TO AVOID BEGINNING NEW PROJECTS FOR NEXT MEETING OR
TWO, AND IMPATIENCE EMERGED AT SLOWNESS IN COMPLETING
SOME PROJECTS (SUCH AS CONSULTANT'S STUDY ON INTEREST
RATE MARGINS AND COST OF INTERMEDIATION OF BANKS).
HACKETT THOUGHT THAT IN MID-1979, CFM COULD CONSIDER
UPDATING THE CAPITAL MARKETS STUDY UNDERTAKEN IN THE
1960'S.

12. NETHERLANDS CIRCULATED WORKING DOCUMENT (COPY
MAILED TO TREASURY/KLOCK) PROPOSING THAT CFM STUDY
TECHNICAL QUESTIONS SURROUNDING EXCHANGE MARKET INTER-
VENTION. DUTCH DEL FROM MOF DREW ATTENTION TO MANDATE
OF CFM TO CONSIDER SUCH QUESTIONS, FOLLOWING SUSPENSION
OF COMMITTEE ON MONETARY AND FOREIGN EXCHANGE MATTERS,
AND EMPHASIZED THAT PROPOSAL WAS TECHNICAL AND NARROWLY
DRAWN. BUT GON ACCESSED TO CHAIR'S REQUEST TO DEFER POS-
SIBLE CONSIDERATION GIVEN DESIRE TO CLEAN UP ONGOING
WORK AND EC DISCUSSIONS UNDER WAY ON COMMUNITY MONETARY
MECHANISMS. (SOBBE OF BUNDES BANK HAD SAID HE WOULD HAVE
TO CONSULT AT HOME BEFORE AGREEING TO TOPIC.)

13. FINANCIAL STATISTICIANS: OUTGOING CHAIRMAN OF
GROUP OF FINANCIAL STATISTICIANS (SPICER, BANK OF ENGLAND
GAVE OVERVIEW OF GROUP'S WORK, AGAINST BACKGROUND OF
INCREASED INTEREST IN ENHANCING RELEVANCE OF STATISTICAL
WORK FOR MORE POLICY-ORIENTED TASKS OF CFM. SPICER SAID
GROUP IS CONCENTRATING ON COMPLETING COUNTRY COVERAGE AND
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IMPROVING COMPATIBILITY OF NUMBERS. HE THOUGHT IT COULD
HELP CFM'S WORK ON ENTERPRISE FINANCING AND ON PUBLIC
DEBT MANAGEMENT. GROUP WILL TRY TO KEEP MORE DETAILED
MINUTES, PARTICULARLY ON SPECIAL TOPICS STUDIED (NEXT
SUCH TOPIC IS ON FLOW OF FUNDS--TECHNICAL ASPECTS, NOT
FORECASTING).

14. NEXT CFM MEETING SCHEDULED FOR NOVEMBER 9-10 PRE-
CEDED BY RESTRICTED MEETING WITH BANKERS ON NOVEMBER 8.

15. THIS MESSAGE PREPARED AFTER DEPARTURE OF U.S. DEL.
SALZMAN

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Message Attributes

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Draft Date: 11 jul 1978
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Disposition Action: RELEASED
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Disposition Case Number: n/a
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Errors: N/A
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Review Content Flags:
Review Date: 05 may 2005
Review Event:
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